

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2646 - SB 2513

February 21, 2012

SUMMARY OF BILL: Requires a county clerk to inquire whether a vehicle owner has outstanding fines or fees owed to the county or any outstanding criminal warrants within the state, prior to renewal of vehicle registration or registration plates.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$4,191,600

Decrease Local Revenue – Net Impact - \$299,400

Increase Local Expenditures – Exceeds \$1,000,000*

Other Fiscal Impact – Because it is unknown what database will be used by county clerks to access warrant data, it cannot be determined what precise cost counties could incur if required to pay for access to data. Based on information provided by the Administrative Office of the Courts, it is estimated that any costs incurred by local governments to access a database will be at least \$75 per county per year resulting in a recurring increase in local expenditures of at least \$7,000 statewide.

Assumptions:

- According to the Department of Revenue (DOR), and based on information provided by the Tennessee Bureau of Investigation (TBI), there are estimated to be 299,399 outstanding criminal warrants for adults in Tennessee. The Department further assumes that the number of adults with outstanding fines or fees is equal to the number of adults with outstanding criminal warrants.
- Based on information provided by DOR, approximately 50 percent (or 149,699) will be ineligible to renew motor vehicle registrations each year because such individuals will not pay outstanding fines or fees; the remaining 50 percent are assumed to pay their outstanding fines; thus being able to renew their motor vehicle registration.
- The recurring decrease in state revenue due to a reduction in motor vehicle registration renewals is estimated to be \$4,191,572 (149,699 x \$28 average state registration fee).
- The recurring decrease in local revenue is estimated to be \$4,041,873 (149,699 x \$27 average local registration fee).

- This bill could result in counties collecting outstanding fines and fees that otherwise would not have been collected. Such impact is dependent upon the extent of outstanding fines and fees. Given this unknown factor, determining the precise increase in fine revenue to local governments is difficult. It is reasonably estimated that the average outstanding fine or fee owed is approximately \$25. Therefore, the recurring increase in local revenue is estimated to be \$3,742,475 (149,699 x \$25).
- The net decrease in local revenue is estimated to be \$299,398 (\$4,041,873 - \$3,742,475).
- There are approximately 5,400,000 registrations in the state annually. The county clerks will be responsible for verifying each individual renewing a motor vehicle registration does not have any outstanding warrants, fines, or fees. The county circuit court clerk will be able to provide the county clerk with a list of persons with outstanding fines or fees owed to the county.
- It is estimated that both the county clerk and circuit court clerk will require additional resources necessary to determine which individuals are eligible to renew motor vehicle registrations. While an exact amount is not determinable, it is reasonably estimated that any increase in local expenditures will exceed \$1,000,000 per year.
- According to the Administrative Office of the Courts (AOC), there is currently no database that county clerks can easily access which will reflect warrant data.
- In order to access the Criminal Justice Portal, which does reflect warrant data, the county clerks would have to be approved by the Integrated Criminal Justice Steering Committee (ICJSC), as well as receive security clearance. If the county clerks are approved by the ICJSC, each county will have to pay an annual fee of \$75, per 10 users.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/jrh